

Roadway, Water & Wastewater Impact Fee Update

| Public Hearing

August 12, 2025



PRESENTATION OVERVIEW

1

Impact Fee Process & Land Use Assumptions

2

W/WW Impact Fee Analysis

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Roadway Impact Fee Analysis

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Comparison with Other Cities

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CIAC Involvement and Recommendation

IMPACT FEE BASICS

An impact fee is...

- A *one-time charge* against new development to pay for all or a portion of costs associated with *new or expanded infrastructure* needed to serve growth
- Mechanism to recoup *funding* for the infrastructure necessary to accommodate *new development*
- Developed based on requirements in *Chapter 395* of the Texas Local Government Code
- Limited to *water, wastewater, roadway*, and drainage *infrastructure*

IMPACT FEE BASICS

Items can be paid for through impact fees:

- Construction of capital improvements on Impact Fee CIP
- Existing infrastructure with excess capacity to serve growth
- Engineering and surveying fees
- Land acquisition costs
- Debt service on impact fee CIP projects

Items cannot be paid for through impact fees:

- Capital improvements not identified in the Impact Fee CIP
- Operations and maintenance costs
- Improvements to remedy existing deficiencies
- Administrative costs to manage the IF program
- Debt service on ineligible items

IMPACT FEE PROCESS

Develop Land Use Assumptions

- Determine existing customer base
- Estimate residential and non-residential growth over next 10-years
- Develop water demand and wastewater flow projections

Update Capital Improvement Plans

- Utilize Land Use Assumptions to determine required system improvements to serve 10-year growth

Conduct Impact Fee Calculations

- Determine 10-year capacity utilization for projects
- Establish growth in Service Unit Equivalents (SUEs)
- Calculate maximum allowable impact fee

Stakeholder Meetings

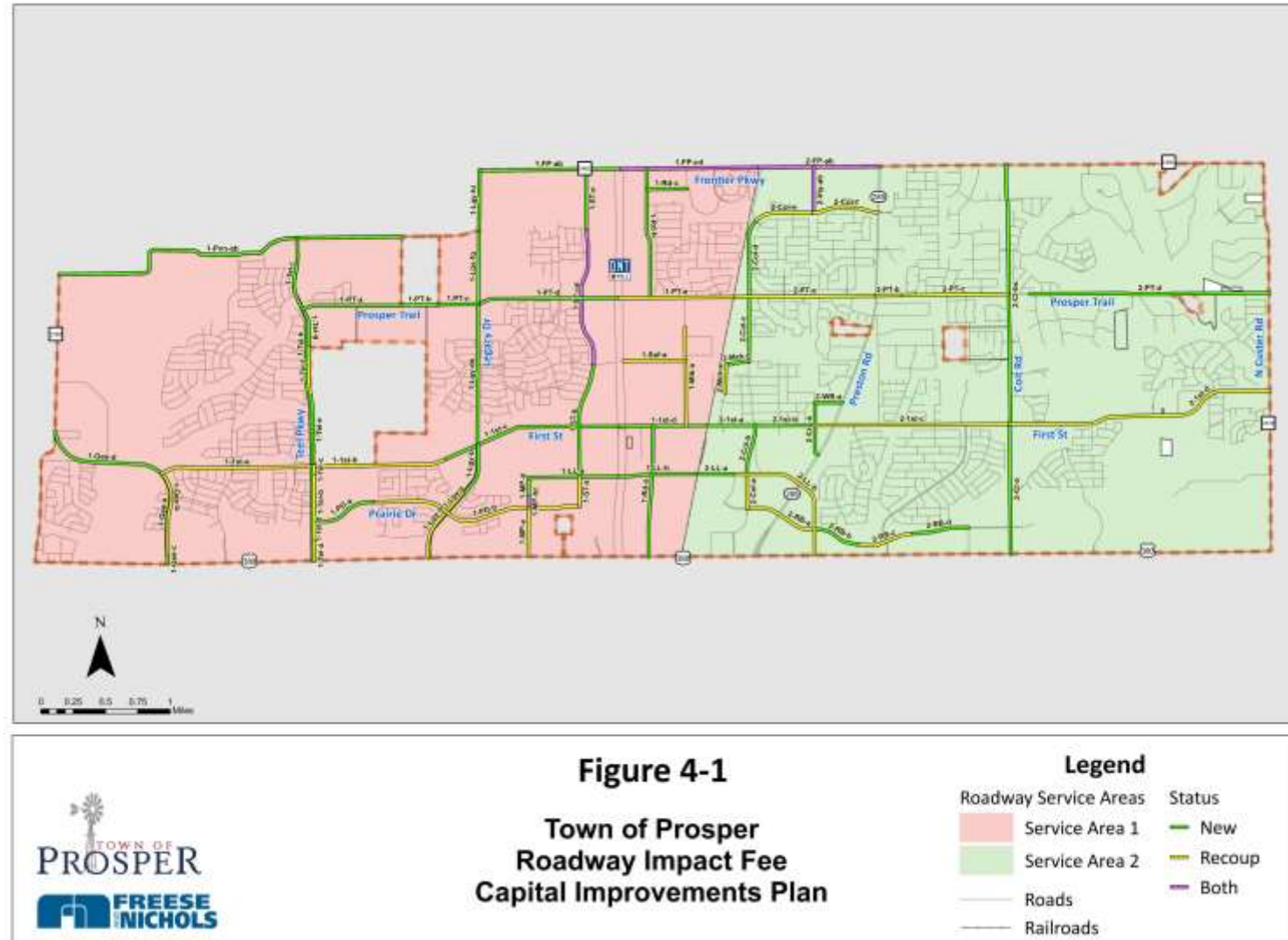
- Three CIAC meetings
- One Town Council Presentation

Public Hearing and Adoption of Ordinance

- One presentation to Town Council
- Public Hearing requires 30-day public notice

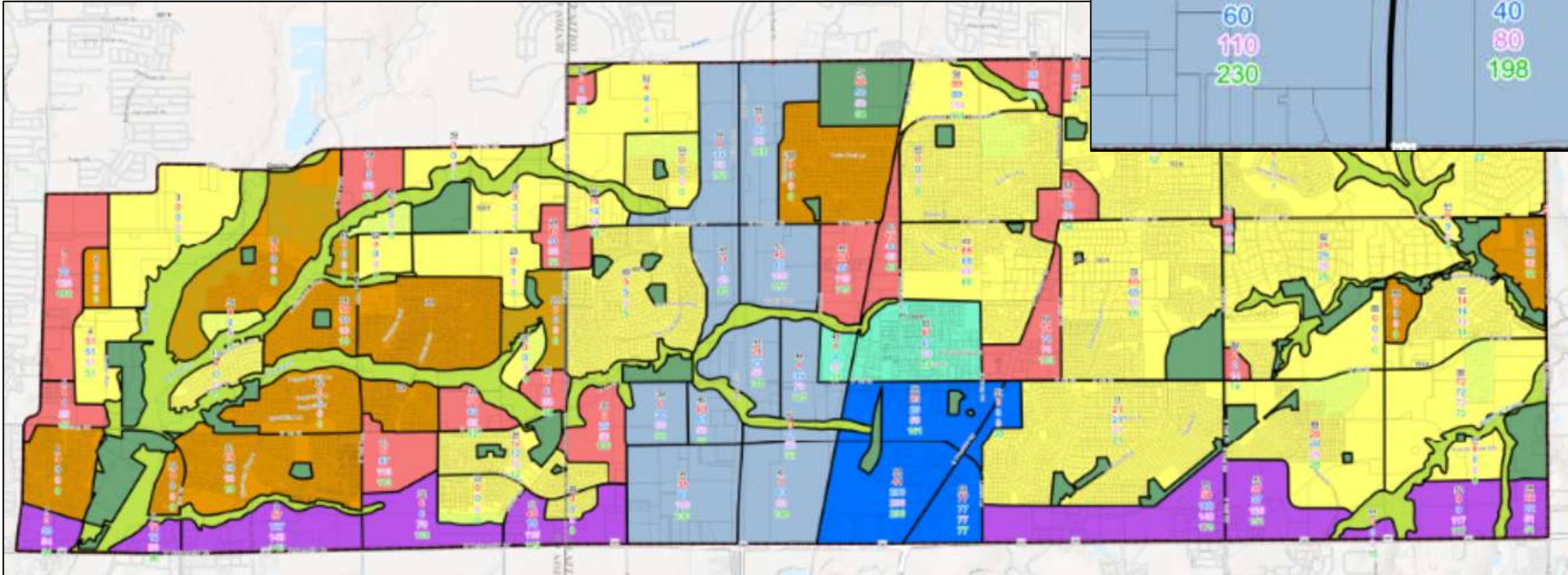
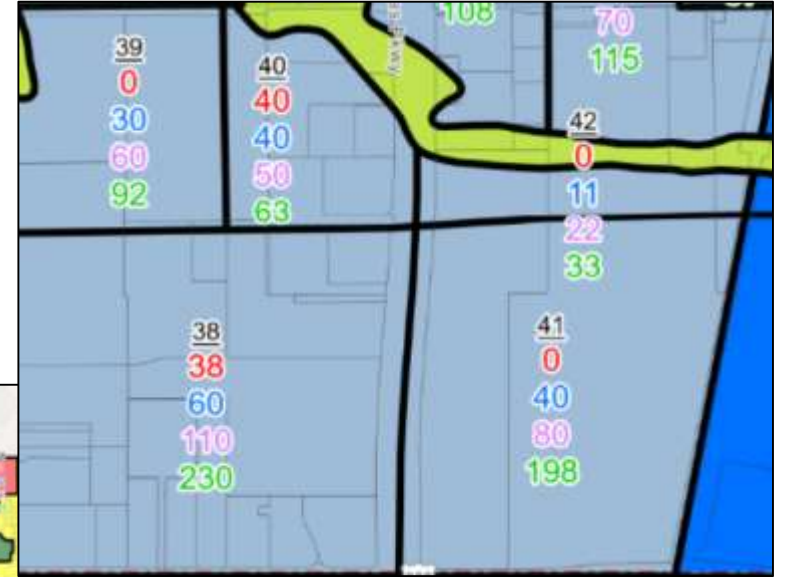
SERVICE AREAS

- W/WW service area is the town limits plus ETJ
- Roadway service area is the town limits



DEVELOPED NON-RESIDENTIAL ACREAGE BY PLANNING AREA

Year	Acres	Average Annual Growth in Acres
2023	1,492	-
2028	2,324	166
2033	3,640	263
Buildout	4,829	-

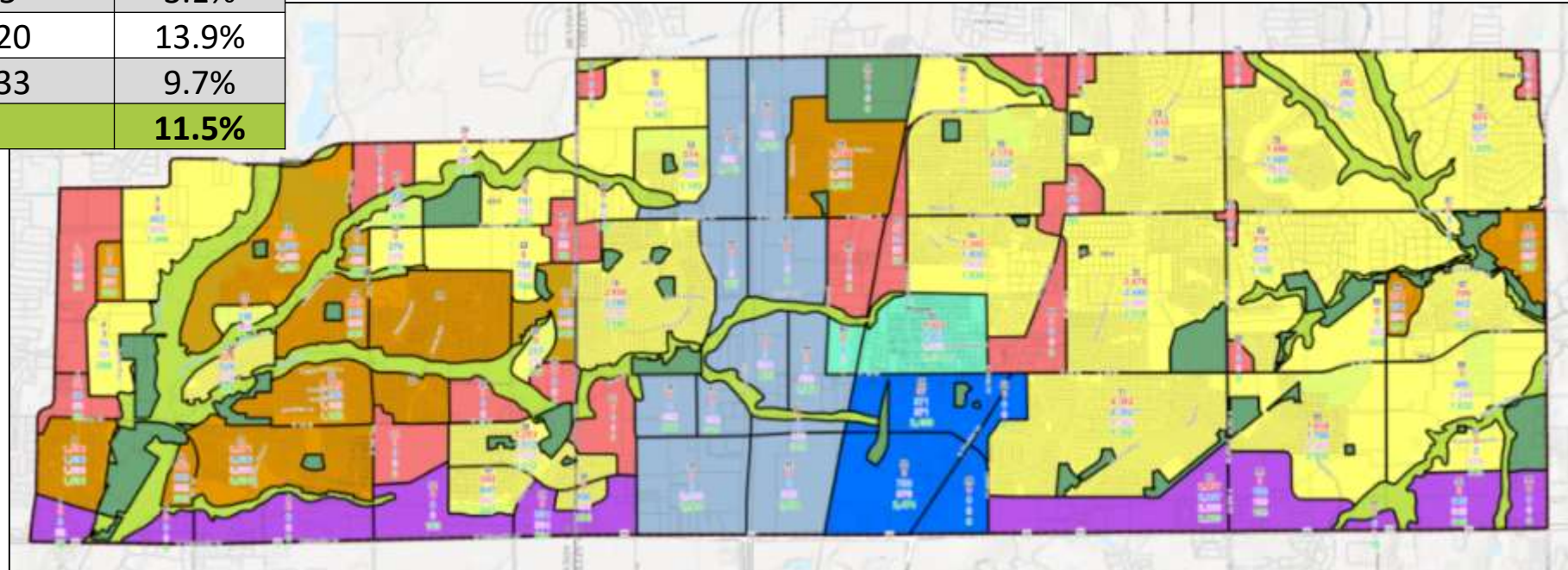


POPULATION BY PLANNING AREA

Year	Population	Population Growth	Growth Rate
2014	14,710	-	-
2015	15,970	1260	8.6%
2016	17,790	1820	11.4%
2017	20,160	2,370	13.3%
2018	22,650	2,490	12.4%
2019	25,630	2,980	13.2%
2020	30,165	4,535	17.7%
2021	31,090	925	3.1%
2022	35,410	4,320	13.9%
2023	38,843	3,433	9.7%
Average	-	-	11.5%

Year	Population	Average Annual Population Growth	Average Annual Growth Rate
2023	38,843	-	-
2028	53,393	2,910	7%
2033	64,437	2,209	4%

AREA ID
2023 Population
2028 Population
2033 Population
Buildout Population



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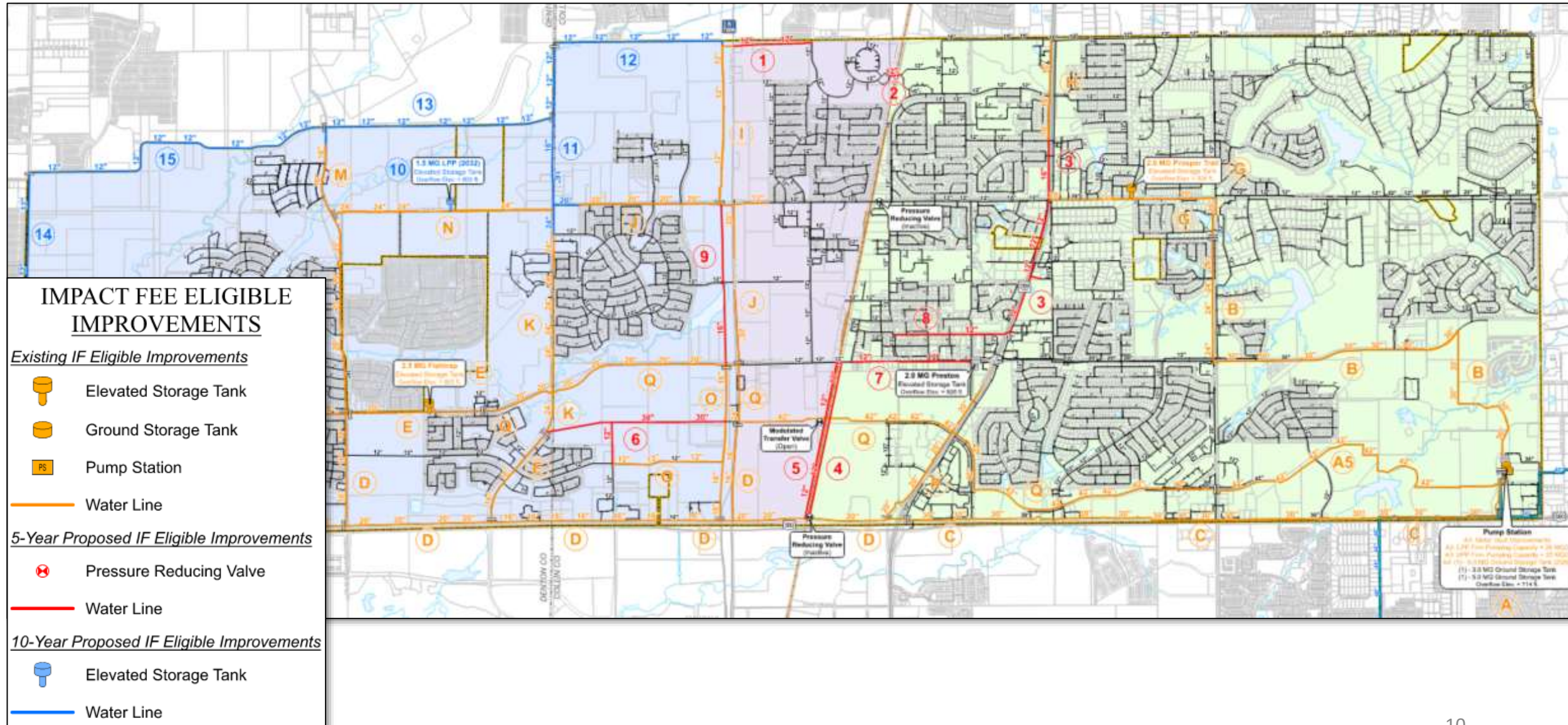
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WATER IMPACT FEE CAPITAL IMPROVEMENTS PLAN



WASTEWATER IMPACT FEE CAPITAL IMPROVEMENTS PLAN

Existing IF Eligible Improvements

 Metering Station

 Wastewater Line

 Force Main

5-Year Proposed IF Eligible Improvements

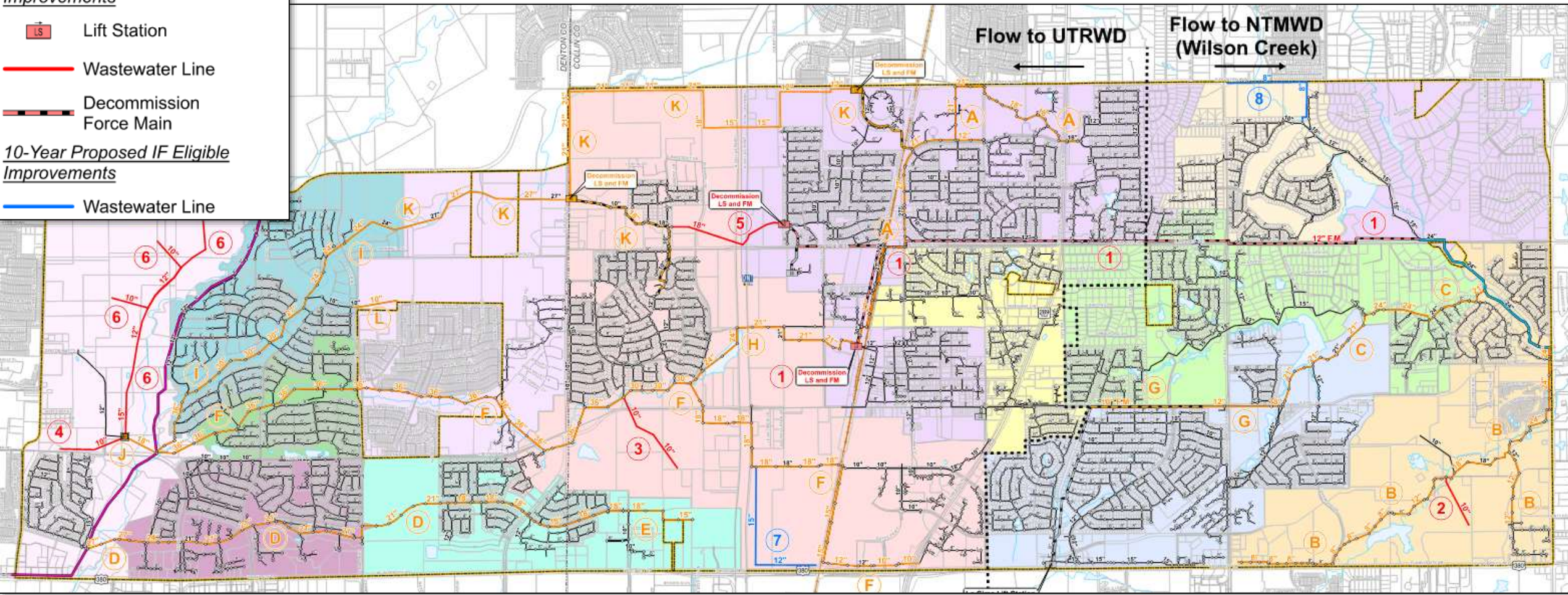
 Lift Station

 Wastewater Line

 Decommission
Force Main

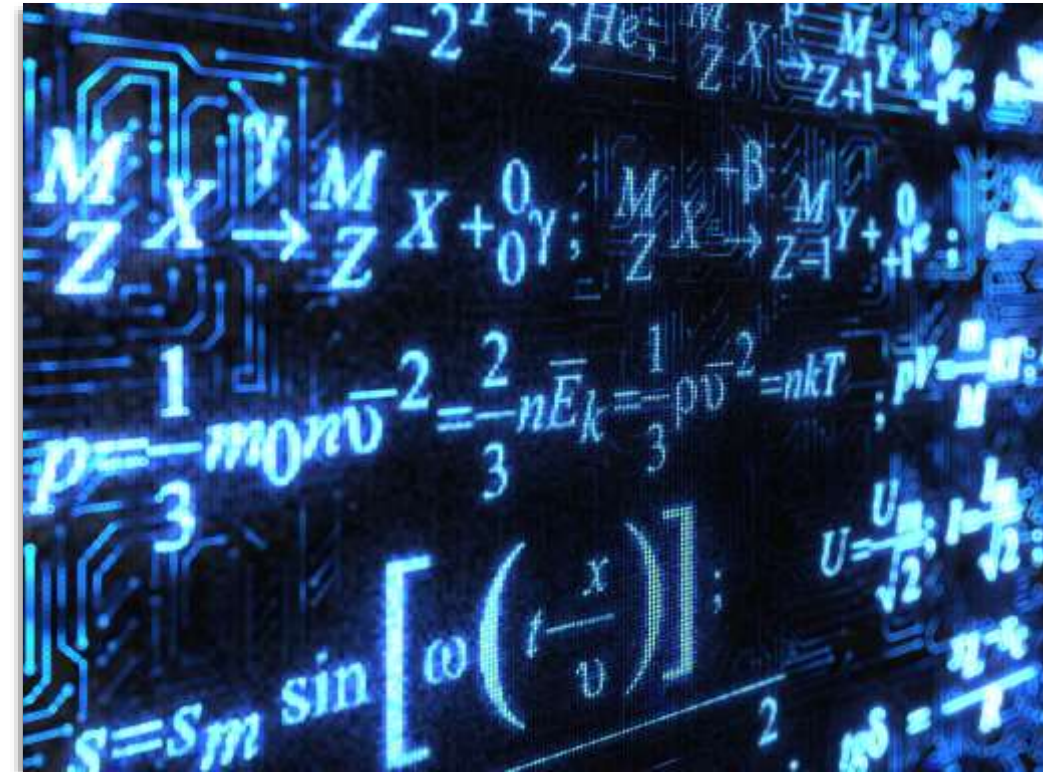
10-Year Proposed IF Eligible Improvements

 Wastewater Line



IMPACT FEE CALCULATION

- Impact Fees Calculated by Dividing Eligible CIP/Growth in Service Units
- Credit of 50% for the portion of ad-valorem taxes generated by CIP improvements
- Fee collected can be less than maximum



$$\text{Impact Fee Per Service Unit} = \frac{\text{Eligible CIP Cost}}{\text{New Service Units}} \times 50\%$$

WATER AND WASTEWATER SERVICE UNITS

- 1" meter is the standard service unit for water and wastewater
- Dependent on meter type
- Larger meters converted using equivalency table
 - Based on proportion of flow to the standard service unit
 - SUE = Service Unit Equivalent

$$\text{1" Meter} \quad \text{SUE} = \frac{\text{1.5" Meter Capacity}}{\text{1" Meter Capacity}} = 2 \quad \text{1.5" Displacement Meter}$$

WATER AND WASTEWATER IMPACT FEE CALCULATIONS

- Current Impact Fee = \$6,643 (adopted max allowable)
- 2025 Maximum Allowable Impact Fee = \$14,390

	Water	Wastewater
10-Year Capital Improvement Costs	\$102,611,265	\$144,769,681
Financing Cost	\$34,131,730	\$48,154,943
Total Eligible Costs	\$136,742,995	\$192,924,624
10-year Projected Growth in Service Units	11,454	11,454
Maximum Impact Fee per Service Unit without Credit	\$11,938	\$16,843
Impact Fee Credit per Service Unit	\$5,969	\$8,421
Maximum Allowable Impact Fee per Service Unit with Credit	\$5,969	\$8,421
Current Impact Fee	\$3,821	\$2,822

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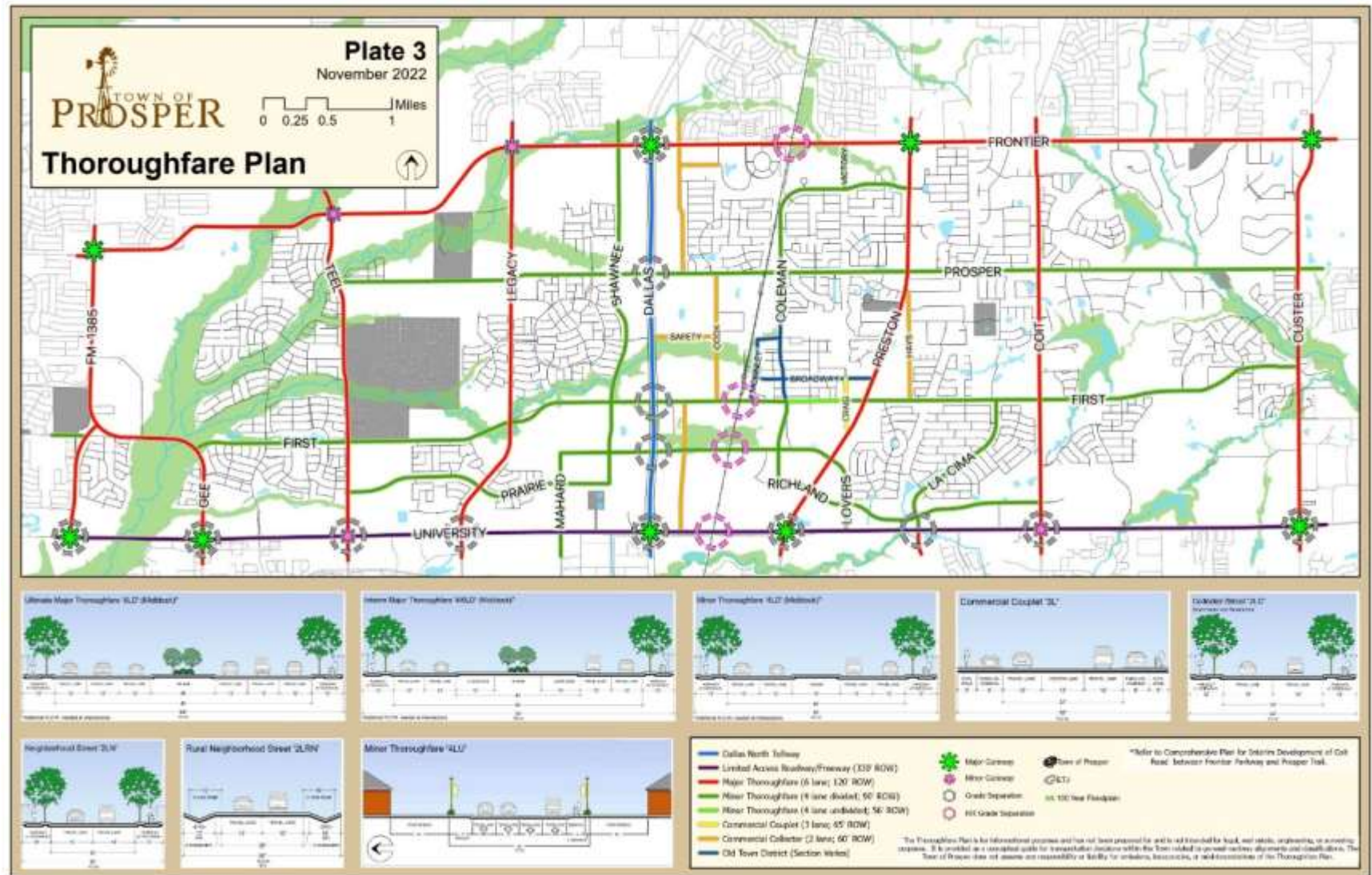
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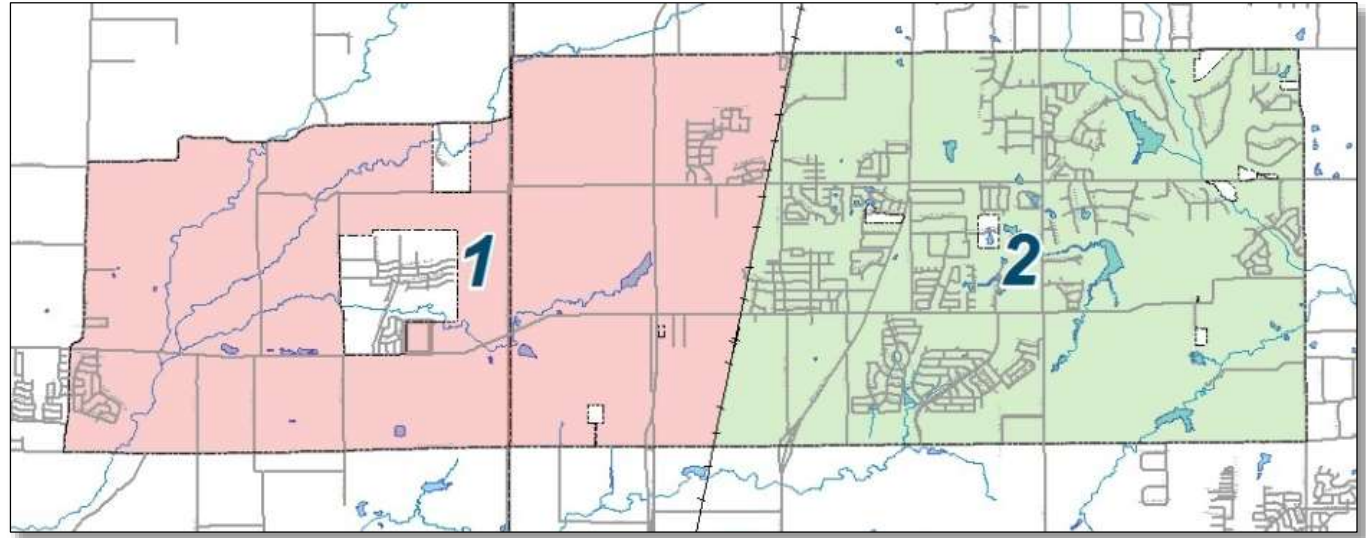
ROADWAY IMPACT FEE CAPITAL IMPROVEMENTS PLAN (IFCIP)

- Based on official plan of Town
 - 2022 Thoroughfare Plan
- All Arterial or Collectors streets
- Enables system flexibility
- State facilities eligible (Town costs only)



PROJECTED SERVICE UNITS

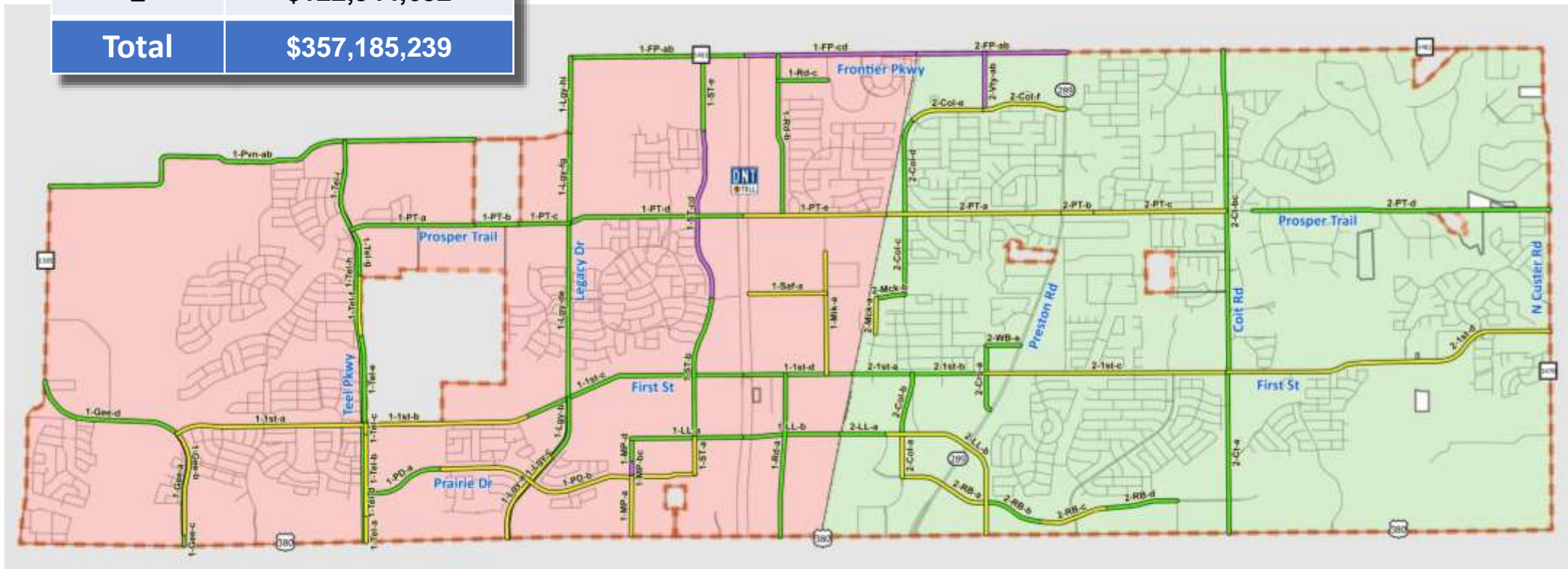
- Roadway: 10-year VMT
- Land Use Assumptions



Service Area	Residential Growth (veh-mi)	Basic Emp. Growth (veh-mi)	Service Emp. Growth (veh-mi)	Retail Emp. Growth (veh-mi)	Total Growth (veh-mi)
1	37,043	3,701	34,150	4,253	79,146
2	15,602	1,911	18,567	2,077	38,157
Total	52,644	5,612	52,717	6,329	117,302

PROPOSED ROADWAY IFCIP

Service Area	Project Cost
1	\$234,240,608
2	\$122,944,632
Total	\$357,185,239



ROADWAY IMPACT FEE CALCULATIONS

	Service Area 1	Service Area 2
Net Capacity Supplied by CIP (vehicle miles)	59,716	33,060
Total Project Cost of CIP	\$234,240,608	\$122,944,632
Cost of Net Capacity Supplied	\$183,483,058	\$95,794,114
Projected 10-year Demand (vehicle miles)	79,146	38,157
Percent of CIP Attributable to New Dev.	100%	100%
Cost of CIP and Financing Attributable to New Development	\$213,316,102	\$106,644,971
Pre-Credit Maximum Fee per Service Unit (\$ per vehicle-mile)	\$2,668	\$2,794
Maximum Assessable Fee per Service Unit (50%) (\$ per vehicle-mile)	\$1,347	\$1,397

COST PER SERVICE UNIT COMPARISON

ROADWAY COST PER SERVICE UNIT COMPARISON

Service Area	2011		2016		2025	
	Credited Cost / SU	Collection Rate	Credited Cost / SU	Collection Rate	Credited Cost / SU	Collection Rate
1	\$856	\$856**	\$1,258	\$1,258*	\$1,347	??
2	\$615	\$615**	\$940	\$940*	\$1,397	??

*Current Collection Rate discounts specific land uses including,

- Land uses discounted to 25% of max
 - Hotels
 - Day Care
 - All Office uses
 - Non-Fast Food Restaurant
 - Discount Store
 - Home Improvement Superstore
 - Shopping Center
 - Supermarket
 - Toy Superstore
 - Department Store
- Land uses discounted to 40% of max
 - Single Family Residential

** Collection rate replaced with 2016 rates.

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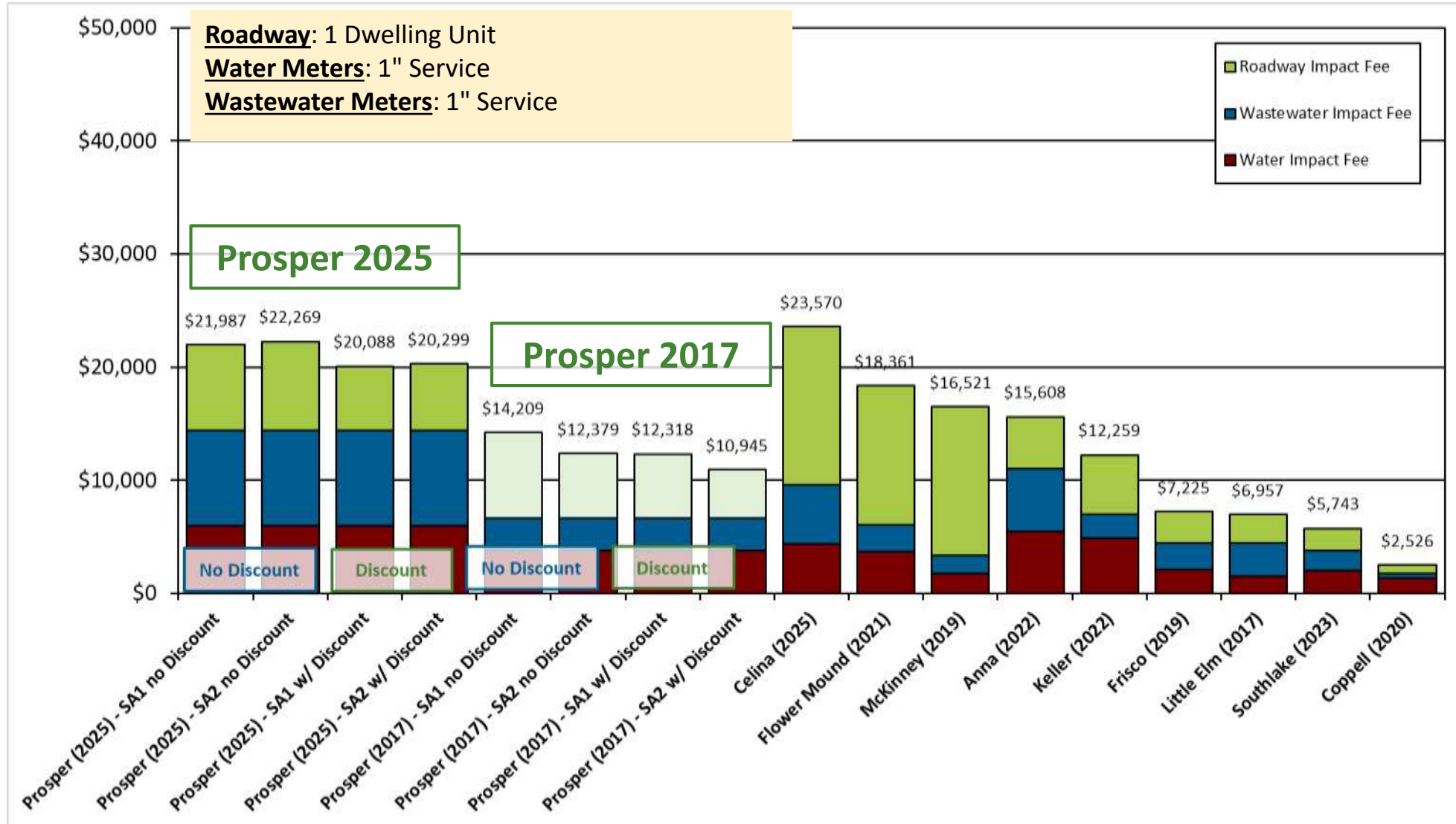
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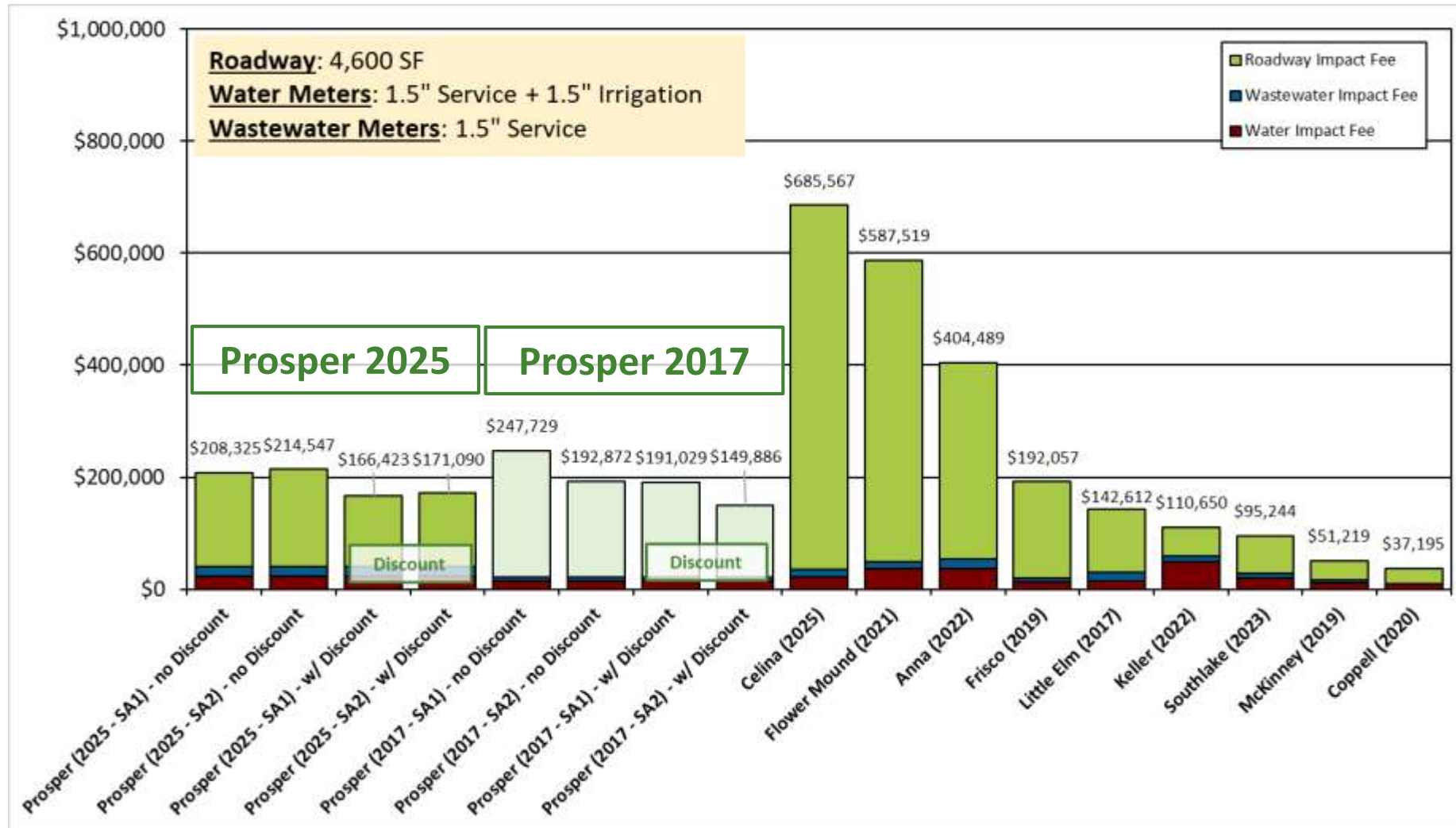
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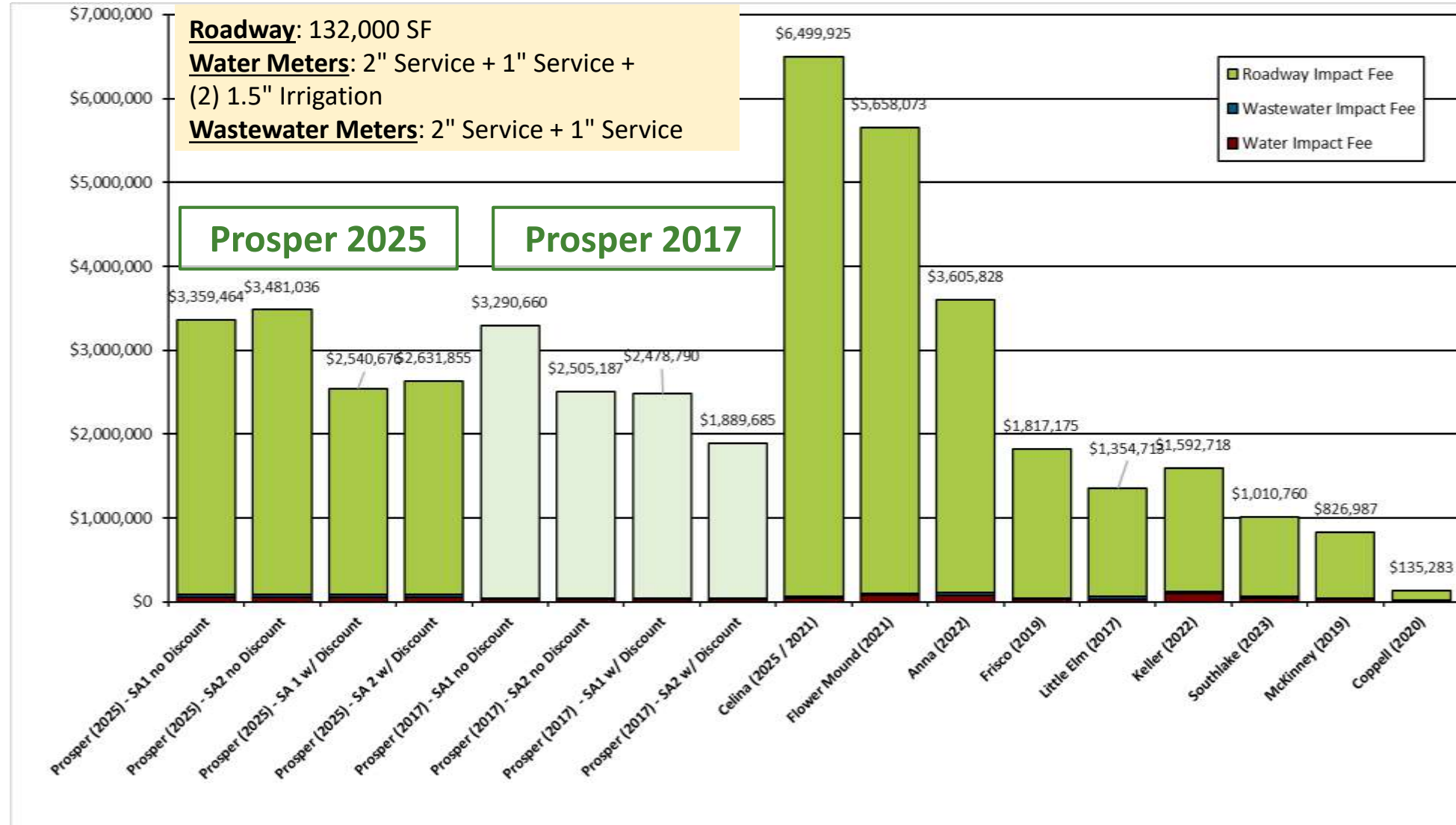
SINGLE FAMILY BENCHMARKING



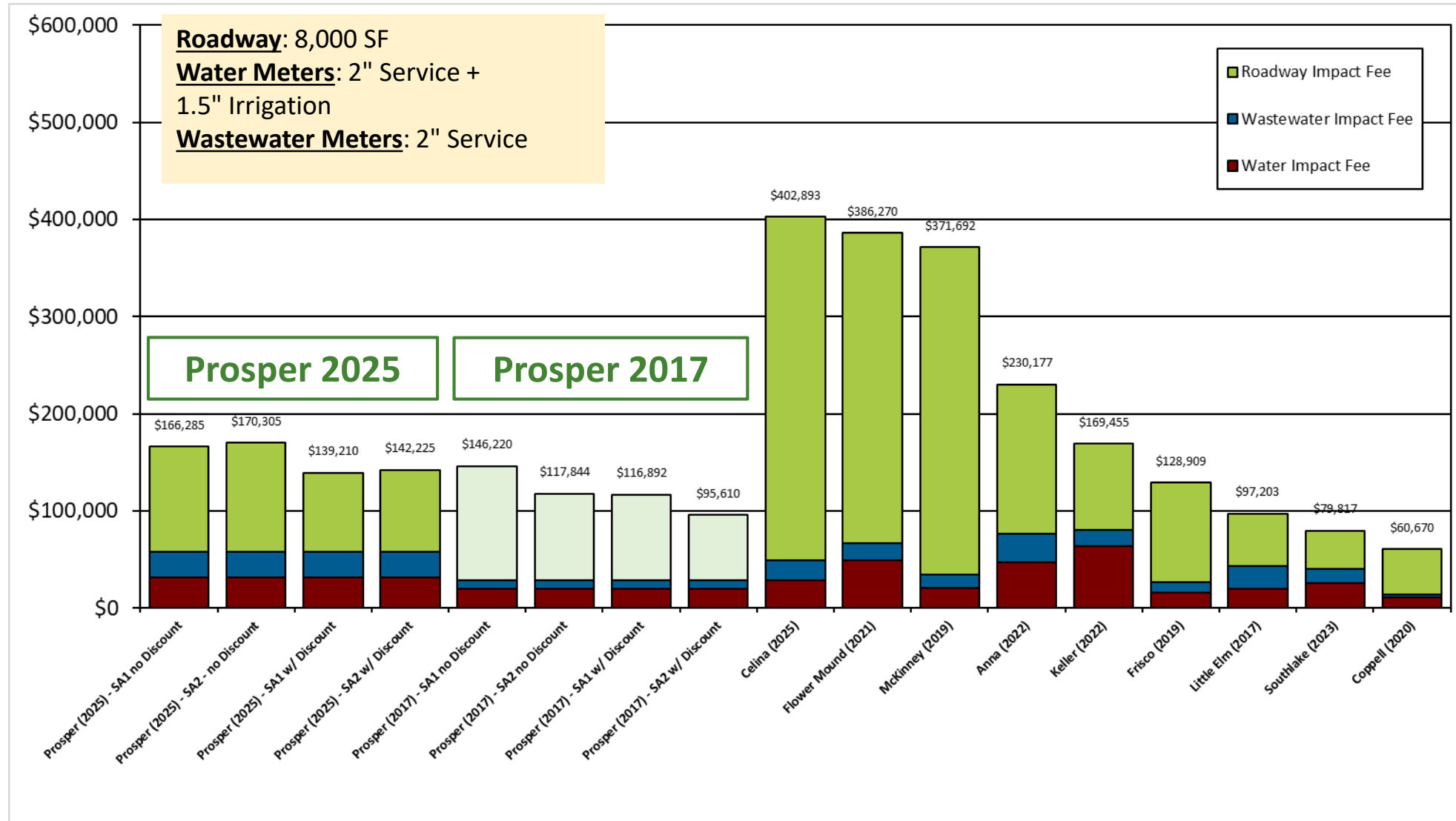
RESTAURANT DRIVE-THRU BENCHMARKING



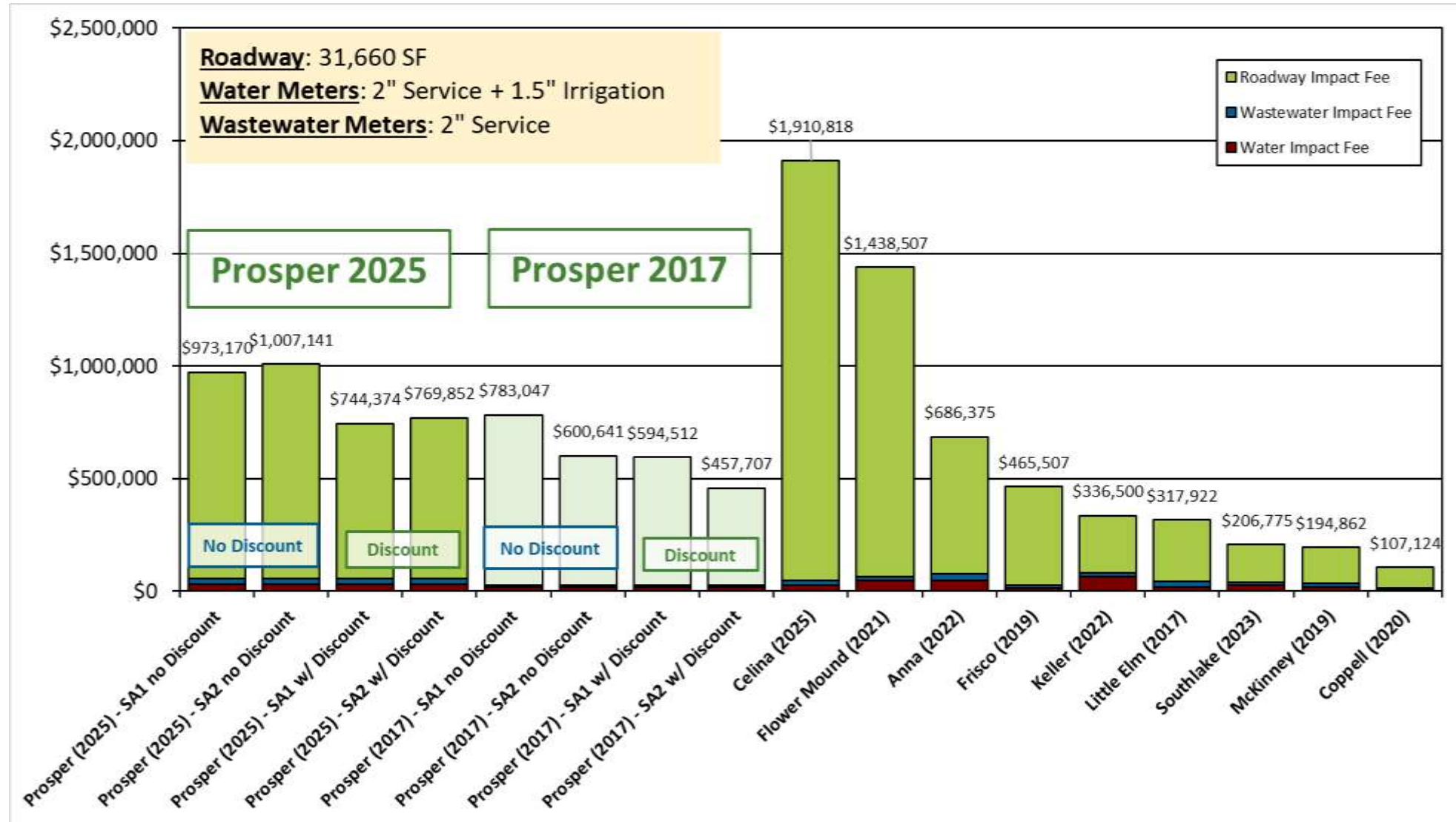
GROCERY STORE BENCHMARKING



SIT-DOWN RESTAURANT BENCHMARKING



MEDICAL OFFICE BENCHMARKING



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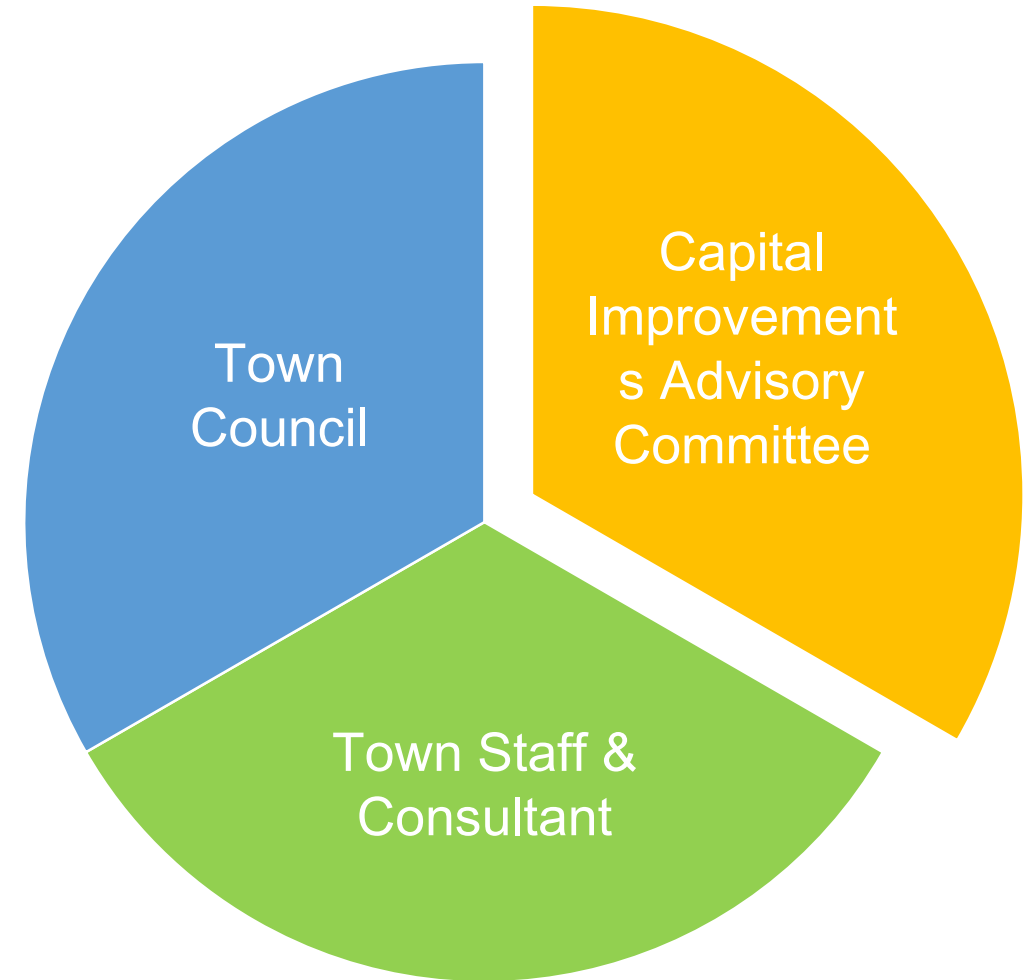
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CIAC Involvement and Recommendation

CIAC INVOLVEMENT

- Advisory Committee Members
 - Planning and Zoning Commission
 - ETJ Resident
- Met with Consultants and Town Staff in April 2024, October 2024, and June 2025 to discuss Land Use Assumptions, Capital Improvement Plans and Impact Fee Calculations



CIAC RECOMMENDATION

- June 30th, by a unanimous vote, the CIAC made the following actions:
 - Accepted the land use assumptions, capital improvements plan, and impact fee calculations as outlined in the draft impact fee study
 - Recommended the Town Council set the water, wastewater, and roadway impact fees at the maximum allowable fee per the impact fee study



QUESTIONS & --- DISCUSSION

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